



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

January 13, 2015

MICHAEL KASPER, TREASURER
DEMOCRATIC PARTY OF ILLINOIS
P.O. BOX 518
SPRINGFIELD, IL 62705

Response Due Date
02/17/2015

IDENTIFICATION NUMBER: C00167015

REFERENCE: AMENDED 30 DAY POST-GENERAL REPORT (10/16/2014 -
11/24/2014), RECEIVED 01/02/2015

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 7 item(s):

1. Schedule A (see attached) discloses one or more contributions which appears to be from a corporation(s). Please be advised that 52 U.S.C. §30118(a) (formerly 2 U.S.C. §441b(a)) prohibits the receipt of contributions from corporations unless made from a separate segregated fund established by the corporation. Limited liability companies (LLCs) that choose to be treated as corporations under the Internal Revenue Service rules, or have shares that are traded publicly, are considered corporations. In the event that the LLC is treated as a partnership under IRS rules, the aforementioned contributions are to be attributed to each member in direct proportion to his or her share of the LLC's profit or by agreement of its members. Each member who has contributed in excess of \$200 for the calendar year should be identified by name, address, amount of contribution, name of employer, occupation and aggregate total on Schedule A. (11 CFR §110.1(g)(1) through (5))

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have received a prohibited contribution(s), you may have to make a refund. If within 30 days of receipt you (1) transferred the prohibited amount to an account not used to influence federal elections, and (2) provided written

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notice to the person making the contribution of the option of receiving a refund, you may retain the contribution in an account not used to influence federal elections. Any request from a donor for a refund must be honored.

If the foregoing conditions for transfers to a non-federal account were not met within 30 days of receipt, the prohibited amount must be refunded. (11 CFR §103.3(b)(1))

Please inform the Commission of your corrective action promptly in writing and provide a photocopy of your check for any transfer out or refund. In addition, any transfers out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of a prohibited contribution, prompt action by your committee to transfer out or refund the amount will be taken into consideration.

2. Schedule B supporting Line 30(b) of your report discloses a payment(s) for "Printing, Postage & Production," "Printing and production," and "Production and Postage" which is categorized as Federal Election Activity and therefore, may require the disclosure of the candidate(s) this activity should be attributed to. Expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, please be advised that public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

3. Schedule A supporting Line 12 discloses a transfer(s)-in from "Democratic Congressional Campaign Committee." Schedule B supporting Line 30(b) reflects payments for "Cook County walk cards." Please be advised that a state

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or local party committee may pay for campaign materials (such as pins, posters, bumper stickers and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and for voter drive activity conducted on behalf of the party's Presidential and Vice Presidential nominees. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate. Please amend your report or provide clarifying information.

4. Schedule H4 discloses a disbursement(s) which is categorized as a fundraising expense(s); however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each fundraising event in which the committee collects both federal and non-federal funds. The costs are allocated according to the funds received ratio and reported on Schedule H2. (11 CFR §§106.6(d) and 106.7(d)(4)) Please file a Schedule H2 to disclose the ratio for the fundraising event(s).

5. Please clarify all expenditures made for "D-Fundraiser hall," and "Fundraiser-D" on Schedule H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. (11 CFR § §104.3(b) and 106.1)

Alternatively, if the payment(s) on Schedule H4 is associated with fundraising activity conducted for your committee's federal and non-federal accounts, it must be allocated according to the funds received method and the ratio reflected on Schedule H2. Further, it must be categorized as a fundraising activity on Schedule H4. Please provide clarifying information regarding the

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nature of this transaction(s) and amend your report(s) as appropriate.

6. Schedule H6 supporting Line 30(a) of your report discloses a payment(s) for "Postage," "Vote by mail," and "Vote by mail mailing". Please be advised that pursuant to 11 CFR §300.33(c)(1), expenditures for public communications (as defined by 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any such candidate for Federal office must not be allocated between or among federal, non-federal and Levin accounts. Only federal funds may be used.

Further, expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

If this activity was categorized incorrectly, the Commission recommends that you immediately transfer the funds received by your federal account for this activity back to the non-federal or Levin account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

7. Schedule A supporting Line 11(c) discloses a transfer(s)-in from "Democratic Congressional Campaign Committee" and "Democratic National Committee". Schedule H6 supporting Line 30(a) reflects payments for Federal Election Activity. Please be advised that under 11 CFR §300.34, a State, district or local party committee must not use any Federal funds transferred to it from a national party committee or any other State, district or local party committee, as the Federal component of an expenditure or disbursement for Federal Election Activity. Furthermore, your committee must itself raise the Federal component of expenditure or disbursement allocated between Federal

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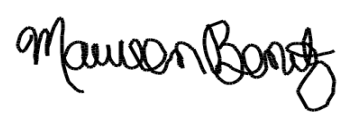
and Levin funds.

Please clarify whether the transfer(s)-in was used for the subsequent payments for Federal Election Activity. In addition, please clarify the procedures you are currently using to ensure that Federal funds transferred to your committee from national, State, district and local party committees are not being used for Federal Election Activity.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1147.

Sincerely,



Maureen Benitz
Sr. Campaign Finance & Reviewing Analyst
Reports Analysis Division

**Excessive, Prohibited, and Impermissible Contributions
DEMOCRATIC PARTY OF ILLINOIS (C00167015)**

Contributions from Possible Prohibited Entities (Corporations, Labor Organization, LLCs)

Contributor Name	Date	Amount	Report
Ambrosino Muir Hansen Crounse	10/20/14	\$15,750.00	2014 30 Day Post-General